



**Go Further**



# 2014 FIRST QUARTER FIXED INCOME PRESENTATION

**APRIL 25, 2014**  
(PRELIMINARY RESULTS)



## **FORD CREDIT OPERATING HIGHLIGHTS\***

- **Another solid performance with First Quarter pre-tax profit of \$499 million and net income of \$312 million**
- **Managed receivables of \$106 billion at Quarter End, up \$3 billion from Year-End 2013, and up \$12 billion from a year ago**
- **Loss-to-receivables ratio of 0.20% in the First Quarter, unchanged from a year ago**
- **Charge-offs of \$52 million in the First Quarter, up \$7 million from a year ago**
- **Credit loss reserve of \$358 million, or 0.34% of receivables, at Quarter End**
- **Managed leverage of 8.6 to 1 at Quarter End**

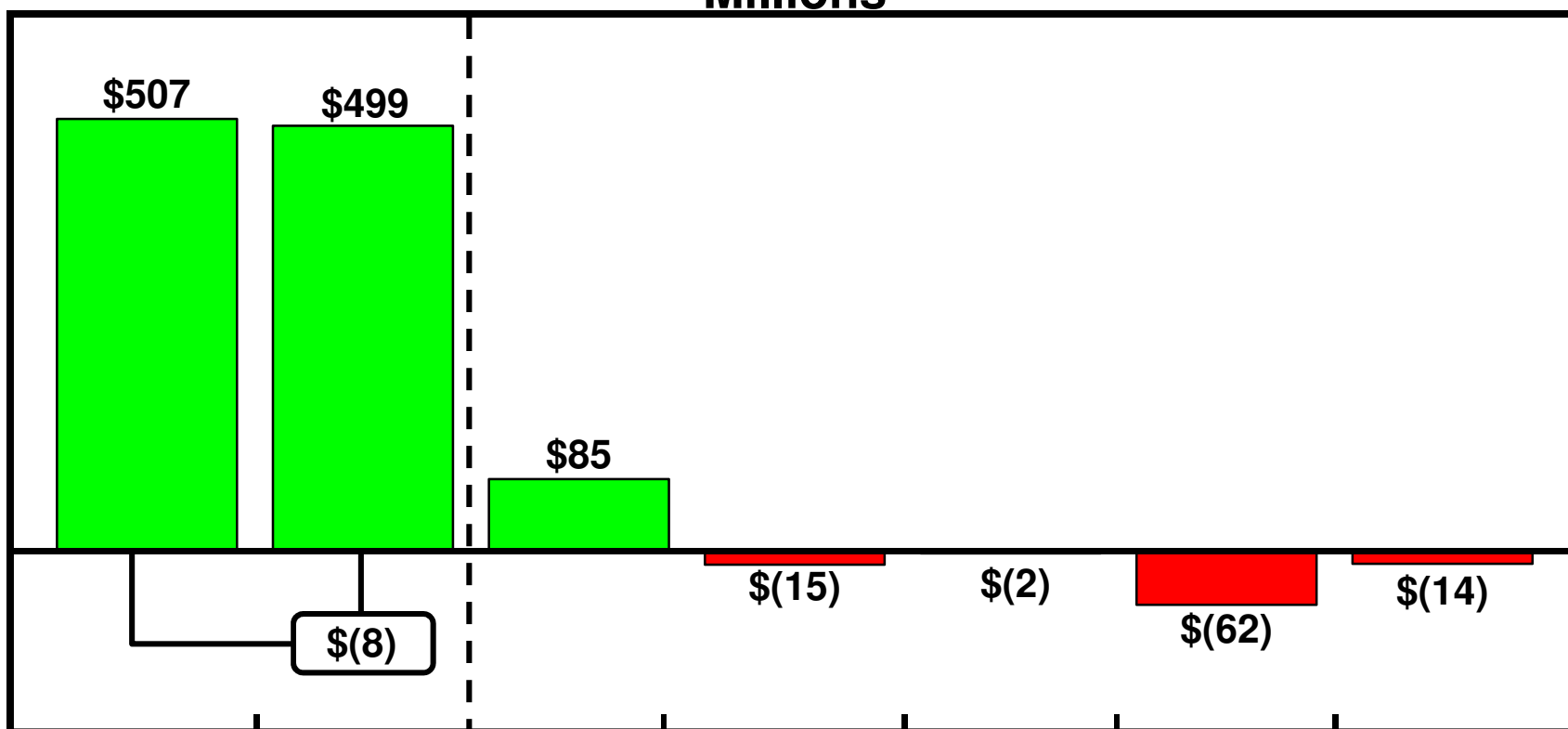
\* See slide 2 and Appendix for reconciliation to GAAP



# FORD CREDIT

## 2014 FIRST QUARTER PRE-TAX RESULTS COMPARED WITH 2013

Millions



	2013 1Q	2014 1Q	Volume	Financing Margin	Credit Loss	Lease Residual	Other
Memo:							
B / (W) 2013 4Q		\$131	\$18	\$(24)	\$34	\$54	\$49

Receivables (Bils.)

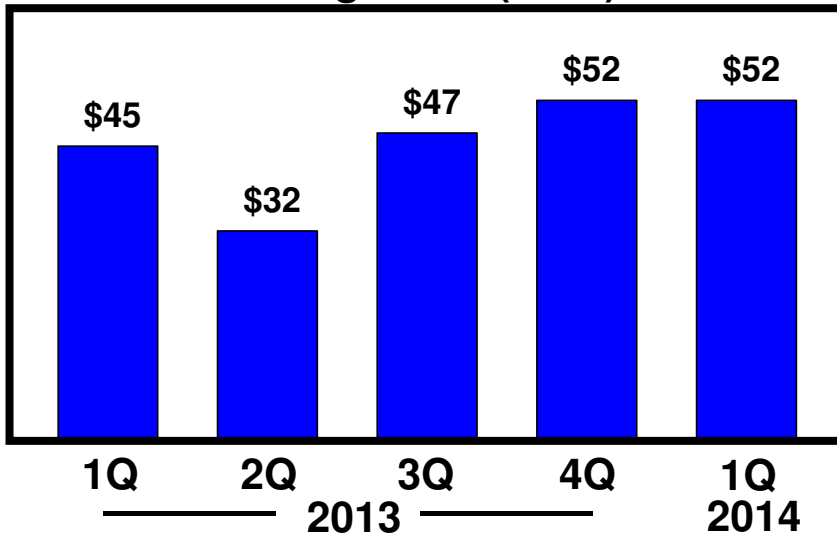
Net *	\$91	\$103
Managed **	94	106

\* Net receivables reflect net finance receivables and net investment in operating leases reported on Ford Credit's balance sheet. The prior period was revised to conform to the presentation in our 2013 10-K Report.

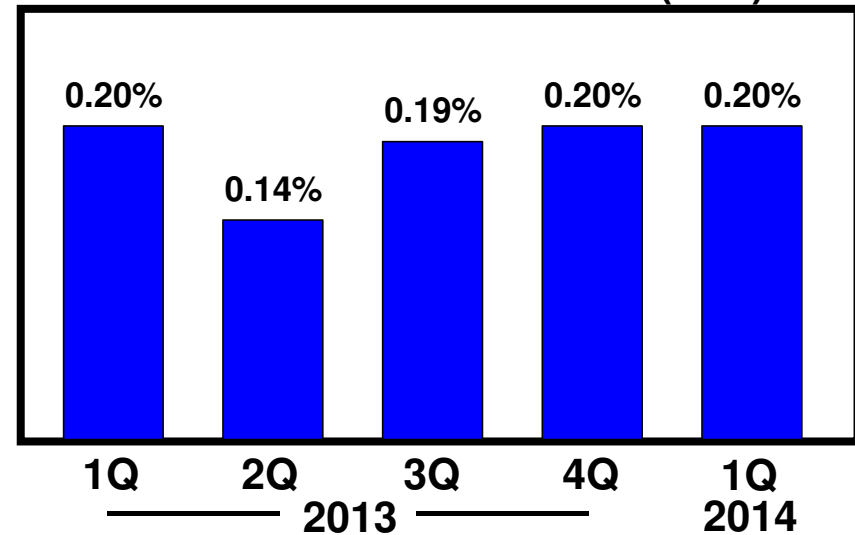
\*\* Managed receivables equal net receivables, excluding unearned interest supplements and residual support, allowance for credit losses, and other (primarily accumulated supplemental depreciation). The prior period was revised to conform to the presentation in our 2013 10-K Report.

# WORLDWIDE CREDIT LOSS METRICS

**Charge-Offs (Mils.)**



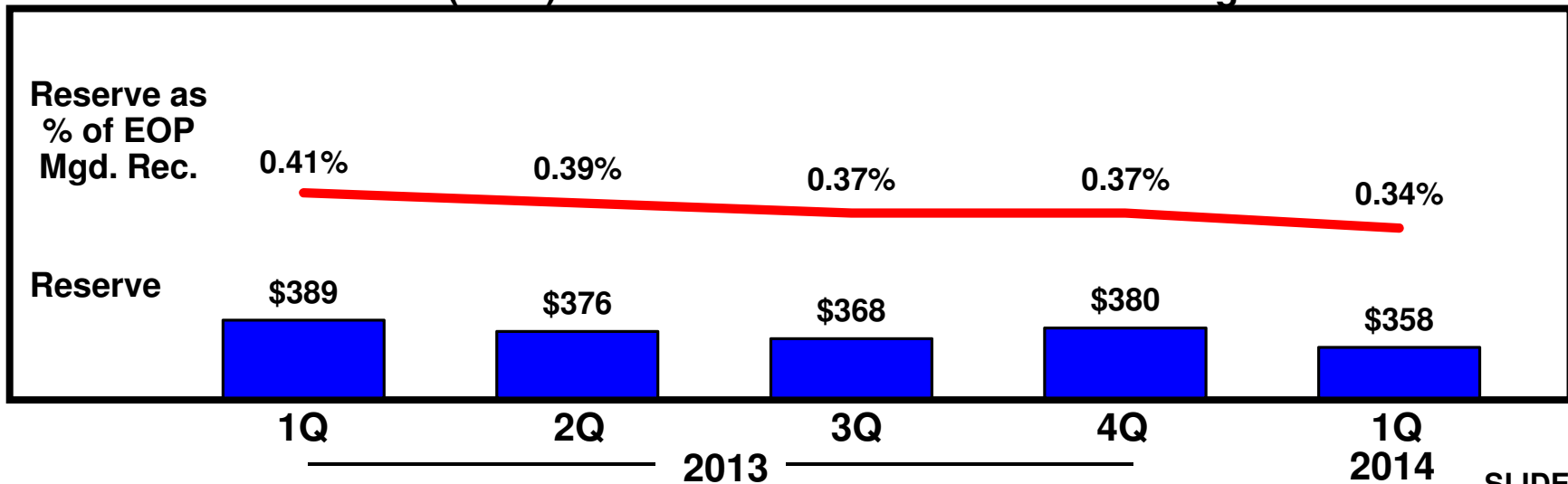
**Loss-to-Receivables Ratio (LTR)**



Memo: Retail & Lease

\$45      \$25      \$45      \$51      \$55

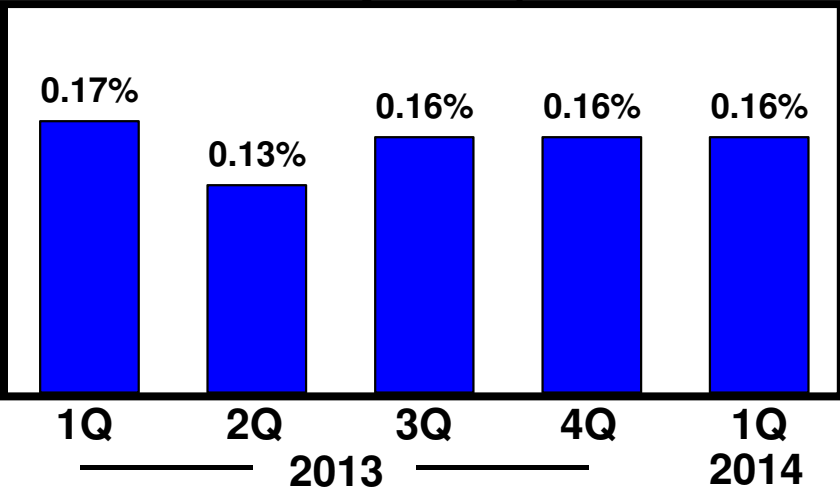
**Credit Loss Reserve (Mils.) and Reserve as a Pct. of EOP Managed Receivables**



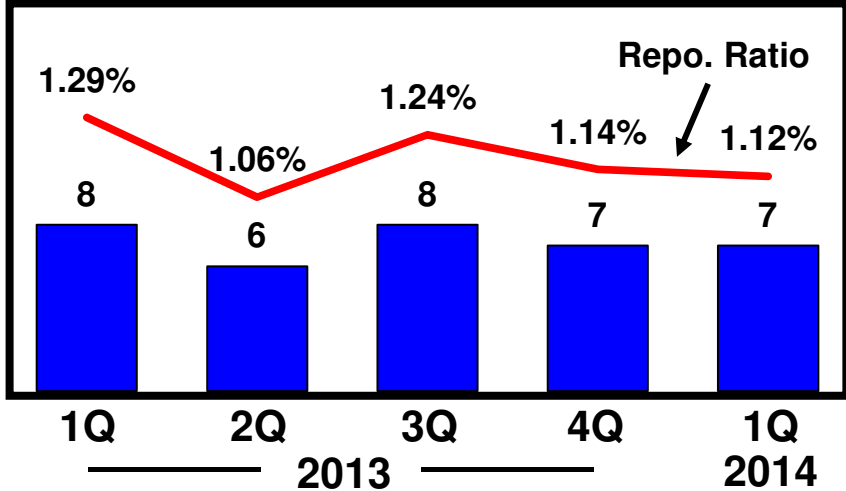


# FORD CREDIT U.S. RETAIL AND LEASE CREDIT LOSS DRIVERS

Over-60-Day Delinquencies \*



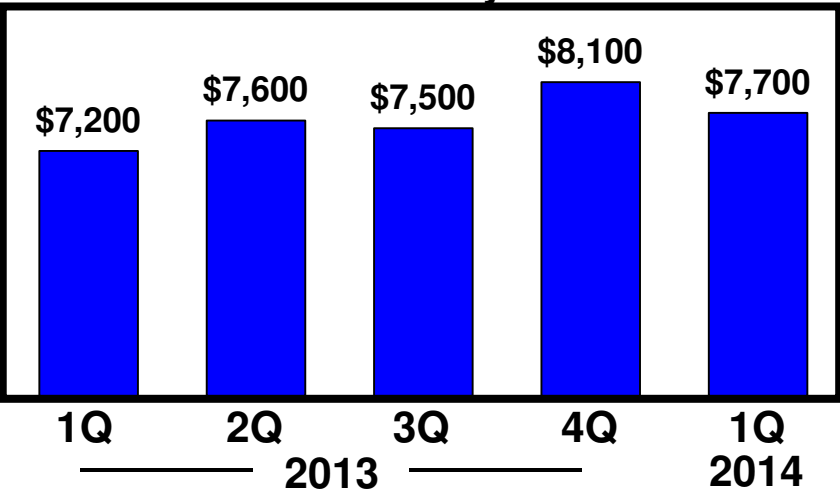
Repossessions (000)



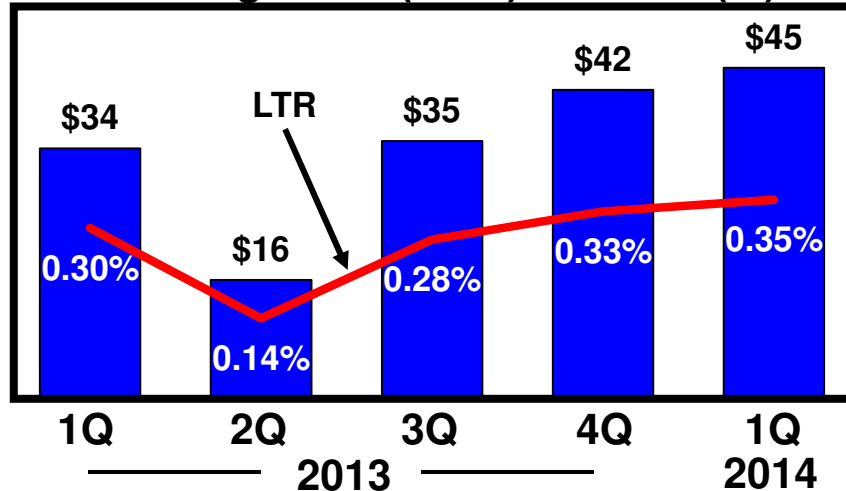
Memo:  
New Bankruptcy  
Filings (000)

5	4	4	4	3
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Severity



Charge-Offs (Mils.) and LTR (%)

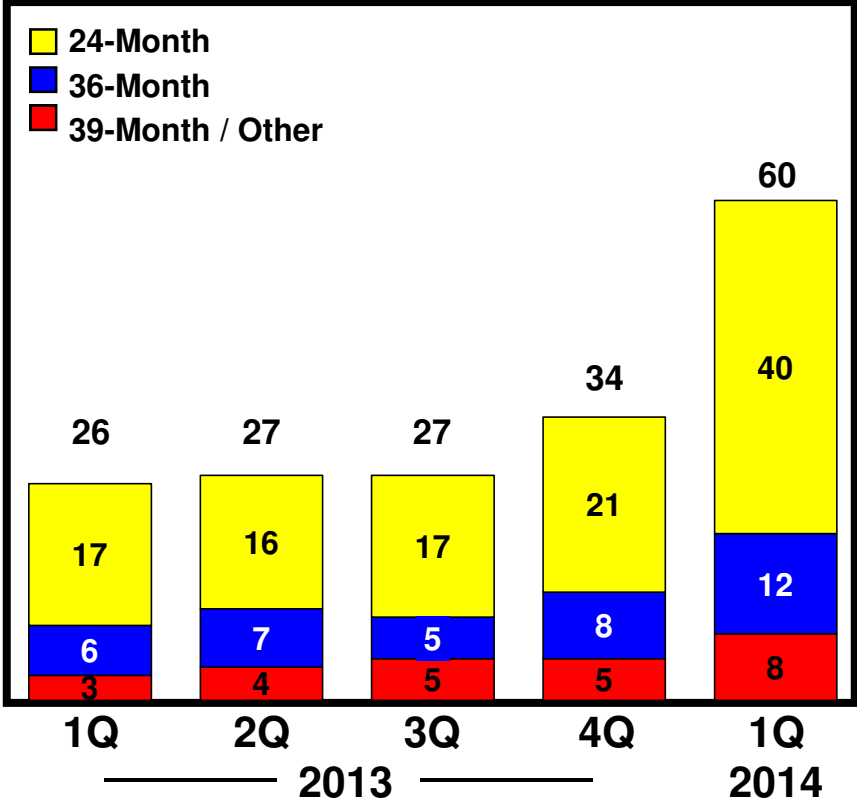


\* Excluding bankruptcies

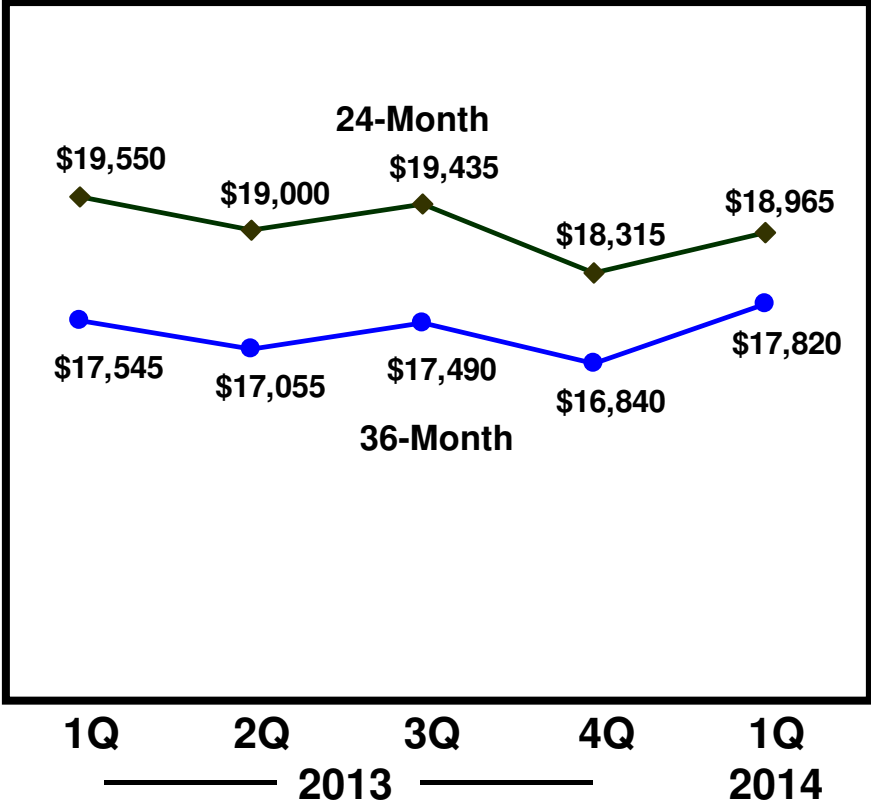


# FORD CREDIT U.S. LEASE RESIDUAL PERFORMANCE

Lease Return Volume (000)



Auction Values (At Q1 2014 Mix)



Memo: U.S. Return Rates

69%      68%      69%      77%      82%

Memo: Worldwide Net Investment in Operating Leases (Bils.)

\$14.7 \*      \$16.2 \*      \$17.3 \*      \$18.3      \$18.8

\* During the fourth quarter of 2013, Ford Credit changed its accounting method to include unearned operating lease interest supplements and residual support in Net Investment in Operating Leases. These periods were revised to conform to the presentation in our 2013 10-K Report.



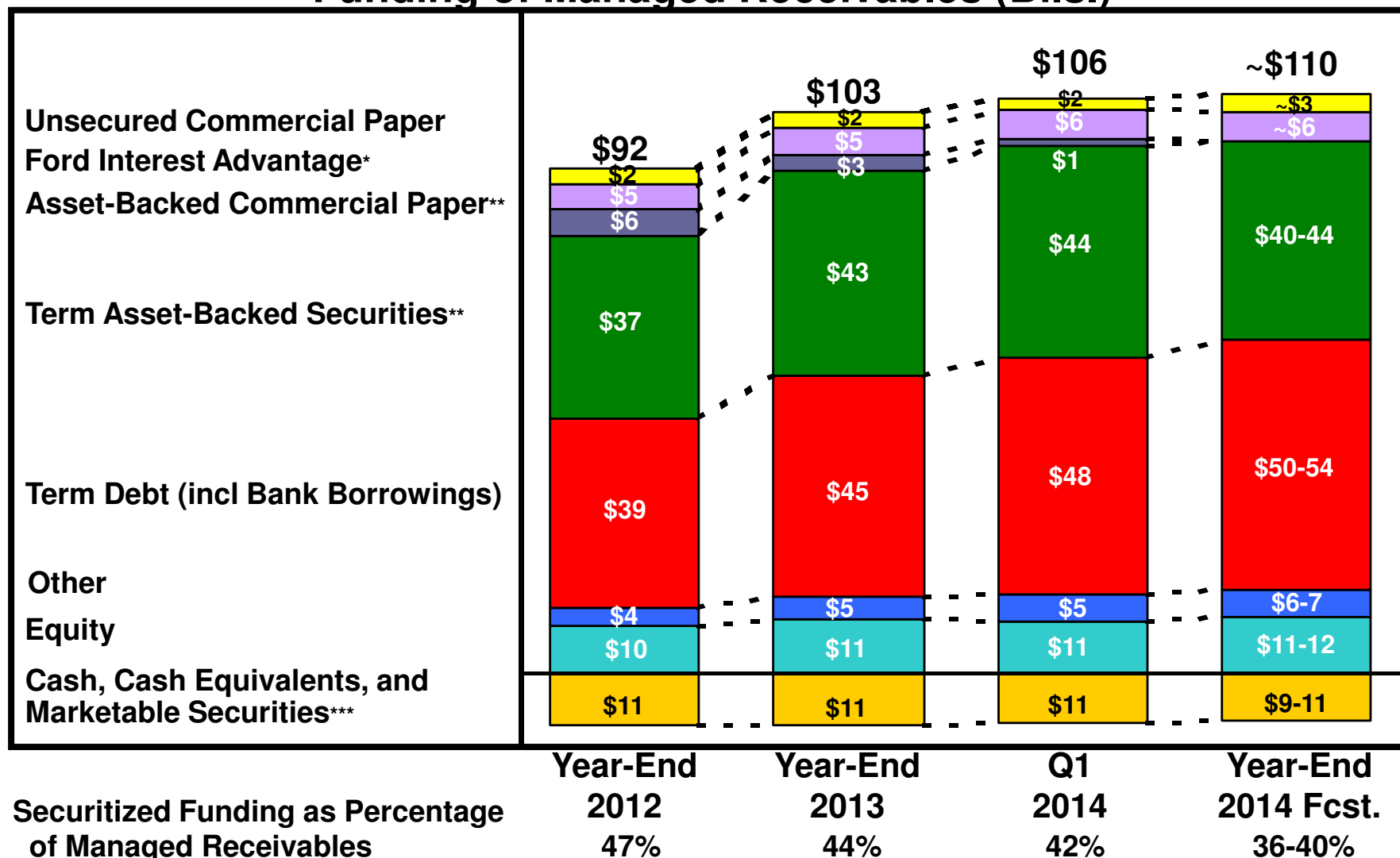
## ***FORD CREDIT FUNDING HIGHLIGHTS***

- **Funding plan on track with over \$8 billion of public term funding completed in the First Quarter, including:**
  - **U.S., Canadian and European unsecured debt transactions totaling about \$4 billion**
  - **U.S. public asset-backed transactions totaling about \$4 billion**
- **Ended the quarter with about \$34 billion of committed capacity and net liquidity of about \$23 billion**
- **Key elements of our funding strategy remain unchanged, and our liquidity remains strong**



# FORD CREDIT FUNDING STRUCTURE

## Funding of Managed Receivables (Bils.)



\* The Ford Interest Advantage program consists of our floating rate demand notes.

\*\* Obligations issued in securitization transactions that are payable only out of collections on the underlying securitized assets and related enhancements.

\*\*\* Excludes marketable securities related to insurance activities.



# FORD CREDIT PUBLIC TERM FUNDING PLAN



	2012	2013	2014	
	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>YTD Actual</u>
	(Bils.)	(Bils.)	(Bils.)	(Bils.)
Unsecured	\$ 9	\$ 11	\$ 9 – 12	\$ 4
Securitized <sup>*</sup>	<u>14</u>	<u>14</u>	<u>12 – 15</u>	<u>5</u>
<b>Total</b>	<b><u>\$ 23</u></b>	<b><u>\$ 25</u></b>	<b><u>\$21 – 27</u></b>	<b><u>\$ 9</u></b>

\* Includes Rule 144A offerings



# FORD CREDIT

## 2014 LIQUIDITY PROGRAMS

	Dec. 31, 2013 <u>(Bils.)</u>	Mar. 31, 2014 <u>(Bils.)</u>	
<b><u>Liquidity Sources*</u></b>			
Cash**	\$ 10.8	\$ 10.7	
Unsecured Credit Facilities	1.6	1.6	} Committed Capacity \$34 billion
FCAR Bank Lines	3.5	1.6	
Conduit / Bank ABS	<u>29.4</u>	<u>30.8</u>	
<b>Total Liquidity Sources</b>	<b>\$ 45.3</b>	<b>\$ 44.7</b>	
<b><u>Utilization of Liquidity</u></b>			
Securitization Cash***	\$ (4.4)	\$ (3.1)	
Unsecured Credit Facilities	(0.4)	(0.4)	
FCAR Bank Lines	(3.3)	(1.3)	
Conduit / Bank ABS	<u>(14.7)</u>	<u>(16.6)</u>	
<b>Total Utilization of Liquidity</b>	<b>\$ (22.8)</b>	<b>\$ (21.4)</b>	
<b>Gross Liquidity</b>	<b>\$ 22.5</b>	<b>\$ 23.3</b>	
<b>Capacity in Excess of Eligible Receivables</b>	<b><u>(1.1)</u></b>	<b><u>(0.7)</u></b>	
<b>Liquidity Available For Use</b>	<b><u>\$ 21.4</u></b>	<b><u>\$ 22.6</u></b>	

\* FCAR and Conduits are subject to availability of sufficient assets and ability to obtain derivatives to manage interest rate risk; FCAR commercial paper must be supported by bank lines equal to at least 100% of the principal amount; conduits include committed securitization programs.

\*\* Cash, cash equivalents, and marketable securities (excludes marketable securities related to insurance activities).

\*\*\* Securitization cash is to be used only to support on-balance sheet securitization transactions.



# **AUTOMOTIVE SECTOR**

## **2014 AUTOMOTIVE FINANCIAL RESOURCES**

	<u>Dec. 31,</u> <u>2013</u> (Bils.)	<u>Mar. 31,</u> <u>2014</u> (Bils.)
<b>Automotive gross cash*</b>	<b>\$ 24.8</b>	<b>\$ 25.2</b>
<b>Less:</b>		
<b>Long-term debt</b>	<b>\$ (14.4)</b>	<b>\$ (13.6)</b>
<b>Debt payable within one year</b>	<u><b>(1.3)</b></u>	<u><b>(2.1)</b></u>
<b>Total debt</b>	<b>\$ (15.7)</b>	<b>\$ (15.7)</b>
<b>Net cash**</b>	<u><u><b>\$ 9.1</b></u></u>	<u><u><b>\$ 9.5</b></u></u>
<b>Memo: Liquidity***</b>	<b>\$ 36.2</b>	<b>\$ 36.6</b>

\* See Appendix for reconciliation to GAAP

\*\* Net cash is calculated as Automotive gross cash net of Automotive debt

\*\*\* Total available committed Automotive credit lines (including local lines available to foreign affiliates) were \$11.4 billion at March 31, 2014



## **2014 FIRST QUARTER SUMMARY**

### **Ford\***

- **Company profitable for 19<sup>th</sup> consecutive quarter; Automotive operating-related cash flow positive**
- **Record profit for any quarter in Asia Pacific; profitable in North America and Middle East & Africa; losses in Europe and South America**
- **Ended the quarter with Automotive net cash of about \$10 billion and strong liquidity of over \$36 billion**

### **Ford Credit**

- **Delivering profitable, sustainable growth**
- **Another solid quarter, with volume growth in all regions**
- **Receivables up 13% from a year ago**
- **Continued strong asset portfolio performance**
- **Diversified funding plan on track**
- **Strong liquidity of about \$23 billion at quarter end**

\* See Appendix for reconciliation to GAAP



# RISK FACTORS

Statements included or incorporated by reference herein may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on expectations, forecasts, and assumptions by our management and involve a number of risks, uncertainties, and other factors that could cause actual results to differ materially from those stated, including, without limitation:

- Decline in industry sales volume, particularly in the United States or Europe, due to financial crisis, recession, geopolitical events, or other factors;
- Decline in Ford's market share or failure to achieve growth;
- Lower-than-anticipated market acceptance of Ford's new or existing products;
- Market shift away from sales of larger, more profitable vehicles beyond Ford's current planning assumption, particularly in the United States;
- An increase in or continued volatility of fuel prices, or reduced availability of fuel;
- Continued or increased price competition resulting from industry excess capacity, currency fluctuations, or other factors;
- Fluctuations in foreign currency exchange rates, commodity prices, and interest rates;
- Adverse effects resulting from economic, geopolitical, or other events;
- Economic distress of suppliers that may require Ford to provide substantial financial support or take other measures to ensure supplies of components or materials and could increase costs, affect liquidity, or cause production constraints or disruptions;
- Work stoppages at Ford or supplier facilities or other limitations on production (whether as a result of labor disputes, natural or man-made disasters, tight credit markets or other financial distress, production constraints or difficulties, or other factors);
- Single-source supply of components or materials;
- Labor or other constraints on Ford's ability to maintain competitive cost structure;
- Substantial pension and postretirement health care and life insurance liabilities impairing our liquidity or financial condition;
- Worse-than-assumed economic and demographic experience for postretirement benefit plans (e.g., discount rates or investment returns);
- Restriction on use of tax attributes from tax law "ownership change;"
- The discovery of defects in vehicles resulting in delays in new model launches, recall campaigns, or increased warranty costs;
- Increased safety, emissions, fuel economy, or other regulations resulting in higher costs, cash expenditures, and / or sales restrictions;
- Unusual or significant litigation, governmental investigations, or adverse publicity arising out of alleged defects in products, perceived environmental impacts, or otherwise;
- A change in requirements under long-term supply arrangements committing Ford to purchase minimum or fixed quantities of certain parts, or to pay a minimum amount to the seller ("take-or-pay" contracts);
- Adverse effects on results from a decrease in or cessation or clawback of government incentives related to investments;
- Inherent limitations of internal controls impacting financial statements and safeguarding of assets;
- Cybersecurity risks to operational systems, security systems, or infrastructure owned by Ford, Ford Credit, or a third-party vendor or supplier;
- Failure of financial institutions to fulfill commitments under committed credit and liquidity facilities;
- Inability of Ford Credit to access debt, securitization, or derivative markets around the world at competitive rates or in sufficient amounts, due to credit rating downgrades, market volatility, market disruption, regulatory requirements, or other factors;
- Higher-than-expected credit losses, lower-than-anticipated residual values, or higher-than-expected return volumes for leased vehicles;
- Increased competition from banks or other financial institutions seeking to increase their share of financing Ford vehicles; and
- New or increased credit, consumer, or data protection or other regulations resulting in higher costs and / or additional financing restrictions.

We cannot be certain that any expectation, forecast, or assumption made in preparing forward-looking statements will prove accurate, or that any projection will be realized. It is to be expected that there may be differences between projected and actual results. Our forward-looking statements speak only as of the date of their initial issuance, and we do not undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events, or otherwise. For additional discussion, see "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2013, as updated by our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

# ***APPENDIX***



# ***2014 FIRST QUARTER FIXED INCOME -- APPENDIX INDEX***

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# 2014 INCOME FROM CONTINUING OPERATIONS



	First Quarter		Memo:
	2013	2014	Full Year
	(Mils.)	(Mils.)	2013
			(Mils.)
<b>Automotive</b>			
North America	\$ 2,392	\$ 1,500	\$ 8,809
South America	(218)	(510)	(33)
Europe	(425)	(194)	(1,442)
Middle East & Africa	47	54	(69)
Asia Pacific	(28)	291	327
Other Automotive	(125)	(222)	(656)
Total Automotive (excl. special items)	\$ 1,643	\$ 919	\$ 6,936
Special items -- Automotive	(23)	(122)	(1,568)
Total Automotive	\$ 1,620	\$ 797	\$ 5,368
<b>Financial Services</b>			
Ford Credit	\$ 507	\$ 499	\$ 1,756
Other Financial Services	(4)	(37)	(84)
Total Financial Services	\$ 503	\$ 462	\$ 1,672
<b>Company</b>			
Pre-tax results	\$ 2,123	\$ 1,259	\$ 7,040
(Provision for) / Benefit from income taxes	(511)	(270)	135
Net income	\$ 1,612	\$ 989	\$ 7,175
Less: Income attributable to non-controlling interests	1	-	(7)
Net income attributable to Ford	\$ 1,611	\$ 989	\$ 7,182
<b>Memo: Excluding special items</b>			
Pre-tax results	\$ 2,146	\$ 1,381	\$ 8,608
(Provision for) / Benefit from income taxes	(503)	(362)	(2,022)
Less: Income attributable to non-controlling interests	1	-	(7)
After-tax results	\$ 1,642	\$ 1,019	\$ 6,593





# TOTAL COMPANY DEBT RATINGS

	<u>S&amp;P</u>	<u>Moody's</u>	<u>Fitch</u>	<u>DBRS</u>
<b><u>Issuer Ratings</u></b>				
Ford Motor	BBB-	N/A	BBB-	BBB (low)
Ford Credit	BBB-	N/A	BBB-	BBB (low)
FCE Bank plc *	BBB	N/A	BBB-	NR
<b><u>Senior Long-Term Unsecured</u></b>				
Ford Motor	BBB-	Baa3	BBB-	BBB (low)
Ford Credit	BBB-	Baa3	BBB-	BBB (low)
FCE Bank plc *	BBB	Baa3	BBB-	NR
<b><u>Short-Term Unsecured</u> **</b>				
Ford Credit	NR	P-3	F3	R-3
<b><u>Outlook</u> ***</b>	Stable	Stable	Positive	Stable

\* S&P assigns FCE a long-term senior unsecured credit rating one notch higher than Ford Credit with a negative outlook. The negative outlook reflects the negative trend S&P has assigned to UK banking industry risk.

\*\* Fitch assigned an F3 rating to the Ford Credit unsecured commercial paper program on April 8, 2014.

\*\*\* On April 22, 2014 Fitch affirmed its Issuer Default Ratings for Ford and Ford Credit and upgraded its outlook to positive from stable.



## **AUTOMOTIVE SECTOR**

# **GROSS CASH RECONCILIATION TO GAAP**

	<u>Mar. 31,</u> <u>2013</u> <u>(Bils.)</u>	<u>Dec. 31,</u> <u>2013</u> <u>(Bils.)</u>	<u>Mar. 31,</u> <u>2014</u> <u>(Bils.)</u>
Cash and cash equivalents	\$ 6.0	\$ 5.0	\$ 4.5
Marketable securities	<u>18.2</u>	<u>20.1</u>	<u>20.7</u>
Total cash and marketable securities (GAAP)	\$ 24.2	\$ 25.1	\$ 25.2
Securities in transit*	<u>-</u>	<u>(0.3)</u>	<u>-</u>
Gross cash	<u>\$ 24.2</u>	<u>\$ 24.8</u>	<u>\$ 25.2</u>

\* The purchase or sale of marketable securities for which the cash settlement was not made by period end and a payable or receivable was recorded on the balance sheet



## ***AUTOMOTIVE SECTOR AUTOMOTIVE DEBT***

	<b>Dec. 31, 2013</b>	<b>Mar. 31, 2014</b>
	<b>(Bils.)</b>	<b>(Bils.)</b>
<b>Public unsecured debt</b>	<b>\$ 6.7</b>	<b>\$ 6.6</b>
<b>Convertible notes</b>	<b>0.8</b>	<b>0.8</b>
<b>U.S. Dept. of Energy / Ex-Im loans</b>	<b>5.3</b>	<b>5.2</b>
<b>Other debt (including International)</b>	<b><u>2.9</u></b>	<b><u>3.1</u></b>
<b>Total Automotive debt</b>	<b><u><u>\$ 15.7</u></u></b>	<b><u><u>\$ 15.7</u></u></b>
<b>Memo:</b>		
<b>Automotive debt payable within one year</b>	<b>\$ 1.3</b>	<b>\$ 2.1</b>



# FORD CREDIT OPERATING HIGHLIGHTS

	<u>First Quarter</u>	
	<u>2013</u>	<u>2014</u>
<b><u>Contract Placement Volume -- New and used retail / lease (000)</u></b>		
<b>North America Segment</b>		
United States	272	284
Canada	25	24
<b>Total North America Segment</b>	<b>297</b>	<b>308</b>
<b>International Segment</b>		
Europe	103	112
Other International	18	34
<b>Total International Segment</b>	<b>121</b>	<b>146</b>
<b>Total Contract Placement Volume</b>	<b>418</b>	<b>454</b>
 <b><u>Financing Shares</u></b>		
<b>United States</b>		
Financing share		
Retail installment and lease	40 %	44 %
Wholesale	77	76
<b>Europe</b>		
Financing share		
Retail installment and lease	34 %	34 %
Wholesale	98	98



# FORD CREDIT

## NET FINANCE RECEIVABLES AND OPERATING LEASES

	Dec. 31, 2013	Mar. 31, 2014
	(Bils.)	(Bils.)
<b>Receivables*</b>		
<b>Net Receivables</b>		
<b>Finance Receivables</b>		
Finance Receivables – North America Segment		
Consumer -- Retail financing	\$ 40.9	\$ 40.7
Non-Consumer		
Dealer financing **	22.1	23.2
Other	1.0	1.0
Total Finance Receivables – North America Segment	\$ 64.0	\$ 64.9
Finance Receivables – International Segment		
Consumer -- Retail financing	\$ 10.8	\$ 11.3
Non-Consumer		
Dealer financing **	8.3	9.3
Other	0.4	0.4
Total Finance Receivables – International Segment	\$ 19.5	\$ 21.0
Unearned interest supplements	(1.5)	(1.5)
Allowance for credit losses	(0.4)	(0.3)
<b>Finance receivables, net</b>	\$ 81.6	\$ 84.1
<b>Net investment in operating leases</b>	18.3	18.8
<b>Total Net Receivables</b>	\$ 99.9	\$ 102.9
<b>Managed Receivables</b>		
Total Net Receivables	\$ 99.9	\$ 102.9
Unearned interest supplements and residual support	3.1	3.1
Allowance for credit losses	0.4	0.4
Other, primarily accumulated supplemental depreciation	0.0	0.1
<b>Total Managed Receivables</b>	\$ 103.4	\$ 106.5

\* Includes finance receivables (retail and wholesale) sold for legal purposes and net investment in operating leases included in securitization transactions that do not satisfy the requirements for accounting sale treatment. These receivables and operating leases are reported on Ford Credit's balance sheet and are available only for payment of the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions; they are not available to pay the other obligations of Ford Credit or the claims of Ford Credit's other creditors.

\*\* Dealer financing primarily includes wholesale loans to dealers to finance the purchase of vehicle inventory.



# **FORD CREDIT**

## **RECONCILIATION OF MANAGED LEVERAGE TO FINANCIAL STATEMENT LEVERAGE**

	<u>Dec. 31, 2013</u>	<u>Mar. 31, 2014</u>
	(Bils.)	(Bils.)
<b><u>Leverage Calculation</u></b>		
<b>Total Debt *</b>	<b>\$ 98.7</b>	<b>\$ 101.0</b>
<b>Adjustments for Cash, Cash Equivalents, and Marketable Securities**</b>	<b>(10.8)</b>	<b>(10.7)</b>
<b>Adjustments for Derivative Accounting***</b>	<b><u>(0.2)</u></b>	<b><u>(0.2)</u></b>
<b>Total Adjusted Debt</b>	<b><u>\$ 87.7</u></b>	<b><u>\$ 90.1</u></b>
<b>Equity****</b>	<b>\$ 10.6</b>	<b>\$ 10.8</b>
<b>Adjustments for Derivative Accounting***</b>	<b><u>(0.3)</u></b>	<b><u>(0.3)</u></b>
<b>Total Adjusted Equity</b>	<b><u>\$ 10.3</u></b>	<b><u>\$ 10.5</u></b>
<b>Financial Statement Leverage (to 1)</b>	<b>9.3</b>	<b>9.3</b>
<b>Managed Leverage (to 1)*****</b>	<b>8.5</b>	<b>8.6</b>

\* Includes debt reported on Ford Credit's balance sheet that is issued in securitization transactions and payable only out of collections on the underlying securitized assets and related enhancements. Ford Credit holds the right to receive the excess cash flows not needed to pay the debt issued by, and other obligations of, the securitization entities that are parties to those securitization transactions.

\*\* Excludes marketable securities related to insurance activities.

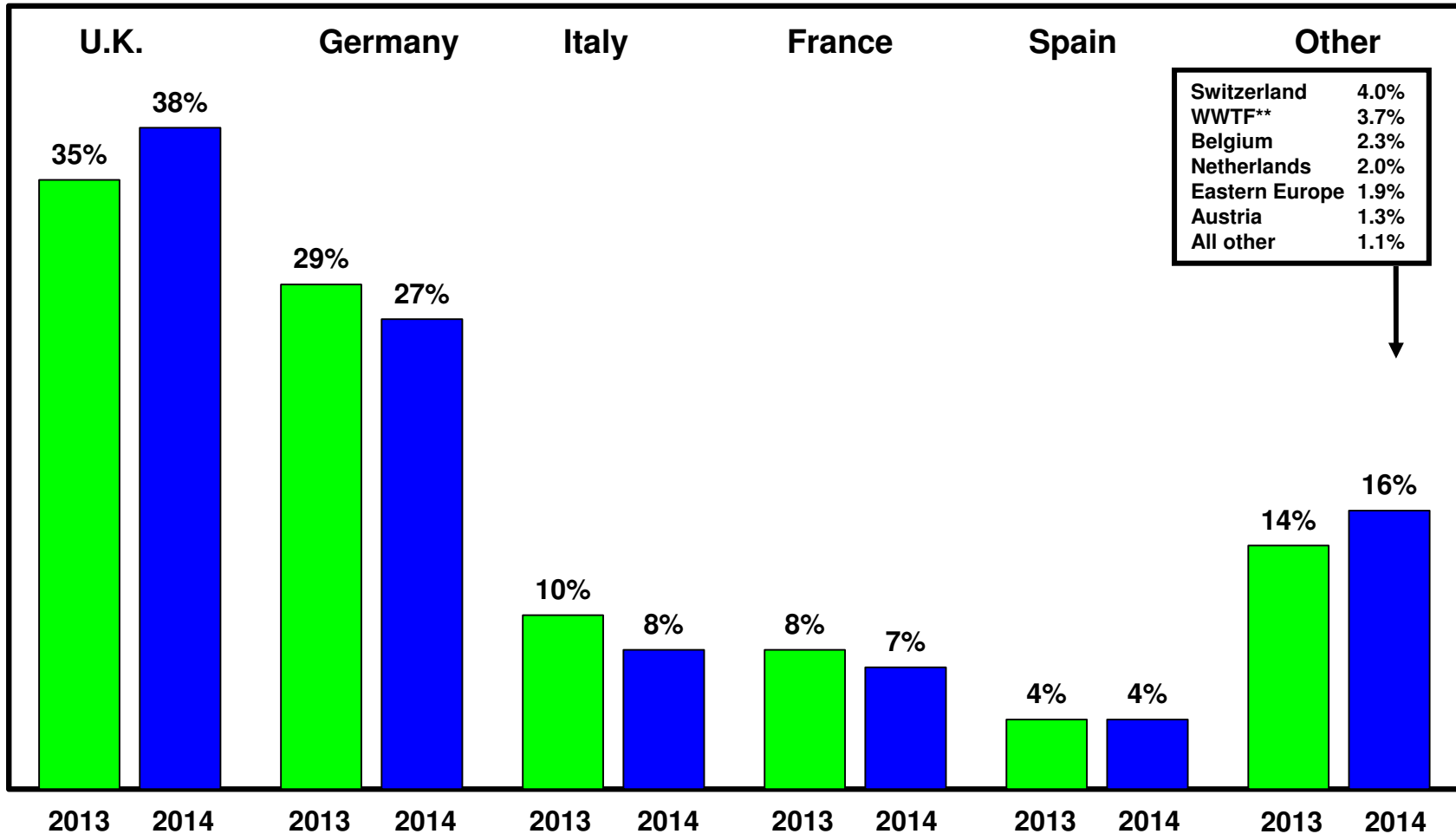
\*\*\* Primarily related to market valuation adjustments to derivatives due to movements in interest rates. Adjustments to debt are related to designated fair value hedges and adjustments to equity are related to retained earnings.

\*\*\*\* Shareholder's interest reported on Ford Credit's balance sheet.

\*\*\*\*\* Equals total adjusted debt over total adjusted equity.

# FCE BANK PLC

## 2014 FIRST QUARTER PERCENT OF NET LOANS & ADVANCES TO CUSTOMERS BY MARKET COMPARED WITH 2013\*



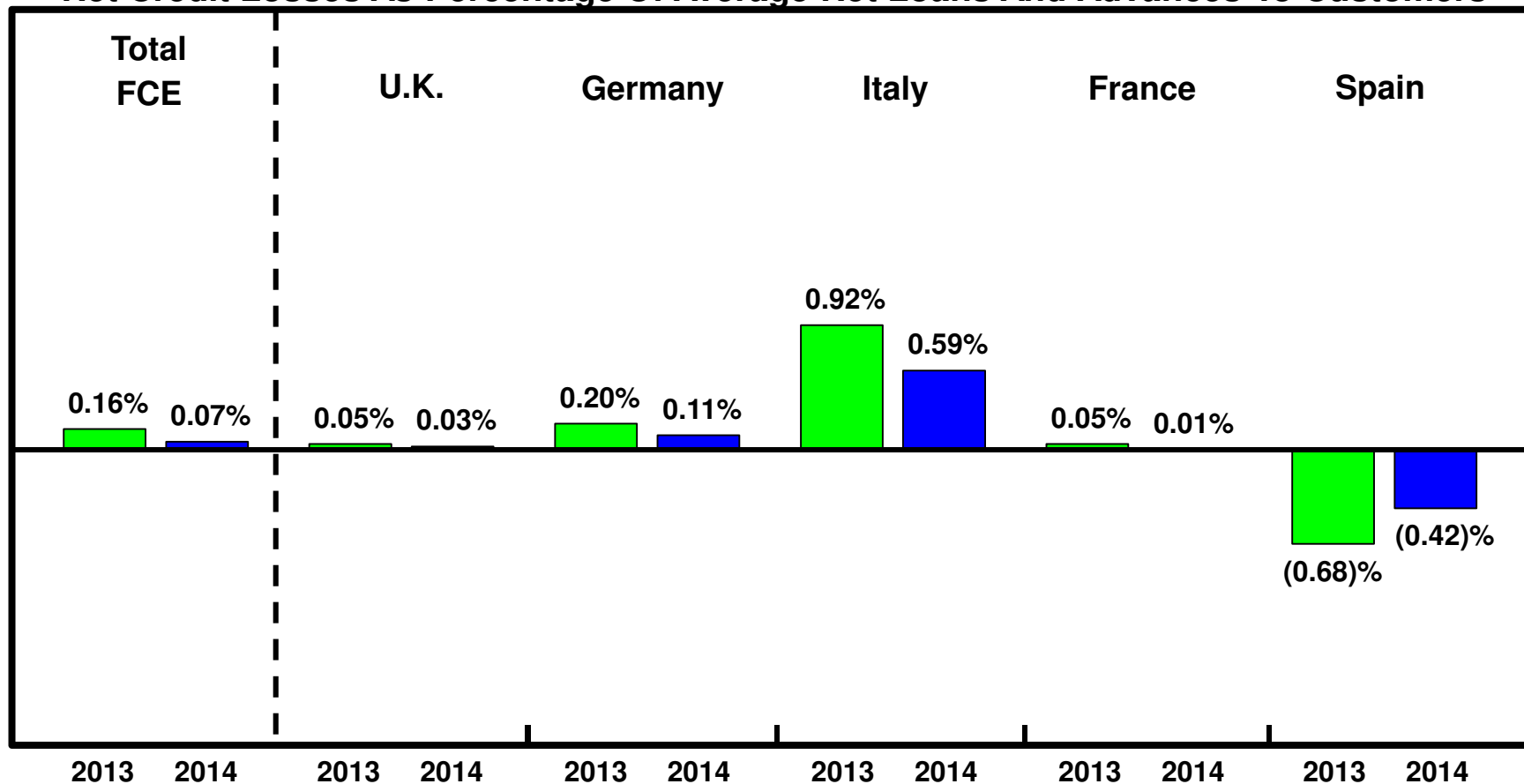
\* As percent of Net loans and advances to customers which were £9.6 billion and £10.2 billion at March 31, 2013 and March 31, 2014, respectively.

\*\* Worldwide Trade Finance (WWTF) provides offshore trade finance support to importers/dealers in about 60 countries.

# FCE BANK PLC

## 2014 FIRST QUARTER CREDIT LOSS RATIO COMPARED WITH 2013

Net Credit Losses As Percentage Of Average Net Loans And Advances To Customers





**FCE BANK PLC**  
**PUBLIC TERM FUNDING PLAN**



			<u>2014</u>	
	<b>2012</b>	<b>2013</b>		<b>YTD</b>
	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Forecast</u></b>	<b><u>Actual</u></b>
	<b>(Bils.)</b>	<b>(Bils.)</b>	<b>(Bils.)</b>	<b>(Bils.)</b>
<b>Unsecured</b>	<b>£ 0.7</b>	<b>£ 1.6</b>	<b>£1.1 – 1.7</b>	<b>£ 0.7</b>
<b>Securitized</b>	<b><u>0.4</u></b>	<b><u>0.4</u></b>	<b><u>0.6 – 1.0</u></b>	<b><u>-</u></b>
<b>Total</b>	<b><u>£ 1.1</u></b>	<b><u>£ 2.0</u></b>	<b><u>£1.7 – 2.7</u></b>	<b><u>£ 0.7</u></b>